

URBAN/MUNICIPAL

CA 3 ON HW U60
92 P63

PEOFIE OF GWA CLIENTS IN HAMILTON-
WENTWORTH

Profile of GWA Clients in Hamilton-Wentworth, February, 1992

Introduction

On February 6, 1992, a special computer run of GWA clients in Hamilton-Wentworth was done. The primary purpose of this run was to identify housing costs for people who were receiving GWA in Hamilton-Wentworth. This report highlights the findings of the computer run, as well as comparing the findings with the results of a similar survey undertaken in 1990.

In February 1992, there were 13,998 households in Hamilton-Wentworth receiving GWA. The following analysis is based on this complete file, rather than a sample. The report discusses the housing costs, the geographic distribution of clients, distinctions between clients considered employable and unemployable, and finally compares the situation of this year with 1990. This does not exhaust the information produced through the computer run. Please contact Rosemary Foulds, 546-2185, if additional information or analysis is required.

General Findings

Households receiving General Welfare Assistance spend a significant proportion of their income on shelter. *One third, or 4,620 households, spend more than 70% of their income on shelter.* 35% (4,900 households) spend 50-70%. Only 15% (2,100 households) spend up to 30% of their income, the maximum generally recognized as acceptable by landlords and financial institutions in determining rent or mortgage eligibility.

Of the 13,998 households receiving assistance, one third have household heads under the age of 25. Over half, 7,745 households, were headed by adults aged 25-44. The remaining households are usually less than 65, since the Old Age Security and Guaranteed Income Supplement Programs provide higher levels of benefit than General Welfare Assistance.

The majority of households had a male adult present (73%). Clients also tended to be one person households (72%). Seven percent of households were headed by lone parents. This constitutes one quarter of all multi-person households receiving assistance. Thirty per cent of clients were deemed unemployable.¹

¹ From the Social Services Manual, the Section which deals with Eligibility defines an employable person as one who is physically able to work with no apparent barriers. The expectation is that a fully employable person should be placed in a job within three months of applying for General Welfare Assistance. An unemployable person has severe barriers to employment including physical incapacity, serious mental or physical disability and/or other social problems. These barriers may be temporary or permanent.

Although people who receive GWA lived throughout the Region of Hamilton-Wentworth, there are some areas with greater numbers of clients than others. Location, based on the first three digits of clients' postal codes, was available for 99% of the client households (13,914). The majority of clients lived in the older neighbourhoods in the City of Hamilton.

Compared with 1990, the number of households receiving assistance has nearly doubled, from 7,086 to 13,998.

Together, these findings demonstrate distinctive characteristics of clients receiving General Welfare Assistance, as compared with the population in general. Clients tend to be younger, are more likely to be single, and tend to live in a part of the municipality which has gradually been depopulating in the last 40 years. Clients are more likely to be considered unemployable than the general population. In addition, the proportion of lone parent households is significantly higher than the general population.

Having established the general distinctiveness of this group, we now move to look more closely at their housing expenditures.

Shelter Costs of Clients

Generally, housing is often the largest single cost we incur. When seeking a mortgage or rental subsidy, prospective owners and tenants are not usually permitted to put more than 30% of their gross income toward shelter costs.

For households receiving General Welfare Assistance, housing is indeed a large portion of their incomes, as the following table shows:

Table 1: Per Cent of Income Spent on Shelter by Household Size, 1992

Household Size	up to 30%	30-49%	50-69%	70% or more
1 person	13	7	40	40
2 people	16	40	25	20
3 people	16	43	25	17
4 people	22	42	20	17
5 people	24	47	16	13
6 or more people	34	46	11	9
All Households	15	17	35	33

While one third of clients are paying more than 70% of their income on shelter, these figures show there are significant variations within the overall pattern, depending on household size. The difference is primarily between one person households and those which are larger. 80% of clients who are single pay over 50% of their income on shelter. In households of two or more people, housing costs of over 50% of income occur less than 40% of the time. Clearly, these households have few resources for other expenditures.

Households receiving General Welfare Assistance receive a shelter subsidy as part of their benefit. The subsidy is determined by shelter costs to a maximum which is contingent primarily on household size. The table on the next page compares the housing costs of the General Welfare Assistance clients with the maximum shelter allowances, along with the number of households paying more than their designated shelter allowance on housing:

Table 2: Clients paying more than Shelter Allowance on Shelter by Household Size

Household Size	Shelter Allowance (\$/Month)	# of Households	# paying more than Shelter Allowance	% paying more than Shelter Allowance
1	400	10,115	5,586	55
2	625	1,145	440	38
3	680	1,078	492	46
4	740	935	408	44
5	795	472	205	43
6+	825	253	91	36
Total		13,998	7,222	52

In more than half the cases, people were paying more for shelter than was the designated shelter allowance. This was particularly true for single clients. Two person and the largest households have the most moderate housing costs, although a significant portion still have shelter costs which exceed the allowance.

The housing costs of client households illustrate the inadequacy of the shelter subsidy. Households apply for GWA in emergency situations. They have greatly reduced incomes (General Welfare Assistance is well below the minimum wage, particularly for singles) and have to make major adjustments in their lives in order to be able to manage financially as well as socially in the community.

Given the amount that households receiving GWA are spending on housing, it would appear that moving could be one of the required adjustments. Because our residential districts are not integrated to accommodate all income levels, moving may result in the disruption of social networks. When households seek assistance, strong social networks are desirable in maintaining personal health and self esteem. The current shelter subsidy levels can thus be a barrier to maintaining informal, no cost, supports.

Clients who do move would be eligible for publicly funded assisted housing on a financial basis. However, these programs do not match the profile of our client population. While housing programs do focus on households with low incomes, the majority of units in the Region are supplied for Senior Citizens. The remaining 3,519 units are provided for families. There are not enough family units to accommodate all

the multi-person households currently receiving General Welfare Assistance. Single people under 65 are generally the last to be housed in publicly funded housing, yet they are the vast majority of the General Welfare Assistance clients. Thus the private market is really their only housing alternative.

The Canada Mortgage and Housing Corporation completes a rental market survey annually. The following table illustrates the average rental rates for a one bedroom apartment in various parts of the community during the most recent survey (October, 1991):

Table 3: Comparison of Average Monthly Rent for a One Bedroom Apartment (CMHC, 1991)

City of Hamilton	Stoney Creek	Dundas
\$440	\$408	\$476

Single clients, with average housing costs of \$419 per month, have relatively modest housing costs, compared with the rental market surveyed by CMHC. The CMHC rents show the housing subsidy of \$400/month would restrict housing choices to clients who have to move. Further, there are not 5,000 housing units available in the community for under \$400/month. Of course, every single person receiving General Welfare Assistance will not seek a one bedroom apartment, but this illustrates the extent of the problem of finding accommodation within the shelter subsidy.

The CMHC report also contains an interesting discussion about the changes to rents in the past twelve months. First, it reports that "rents for one bedroom apartments had the largest annual increase". These increases will have had the greatest impact on our largest client group.

The CMHC report also notes that "the largest increases in average rents ... were recorded in the Downtown area of the City of Hamilton.... (and) the rent levels in the downtown area remain higher than other centres in the City of Hamilton." As will be demonstrated in the next section of the report, this is where the majority of General Welfare Assistance Clients, particularly single person households, tend to live.

Detailed Characteristics of Clients by Location

Information was collected about the age of applicants, their gender and the size of their households by using the first three digits of the postal code. The largest number of

households (3,093 or 22%) receiving benefits are located in the L8L postal code area, followed by five others, each with 1,000 to 1,500 clients (L8H, 8.2%; L8M, 7.8%; L8N 9.8%; L8P, 8.1% and L8R, 7.2%). The attached map shows the location of the postal code zones and the relative concentration of clients in the central and northern neighbourhoods of Hamilton.

Regionally, one third of the applicants are under 25, 55% are 25-44 and the remainder (12%) are 45 and over. The areas with the largest number of households have applicant patterns similar to the regional average, for age and gender. Households on the mountain in Hamilton tend to be older than the Regional average. Applicants with rural postal addresses are more concentrated in the 25-44 age group.

Across the Region, 73% of client households had a male adult present. This pattern was generally consistent in all areas, except three of the rural addresses: L0A, L0C, and L0P, where males were less likely to be present.

Looking at household size, the following table illustrates the Regional pattern.

Table 4: Distribution of Clients by Household Size

# of People in the Household	1	2	3	4	5	6+
% of Households	72	8	8	7	3	2

Across the Region, there are some variations. Single people are more concentrated in two postal code areas, L8M and L8P. They are less concentrated at the rural addresses and on the mountain.

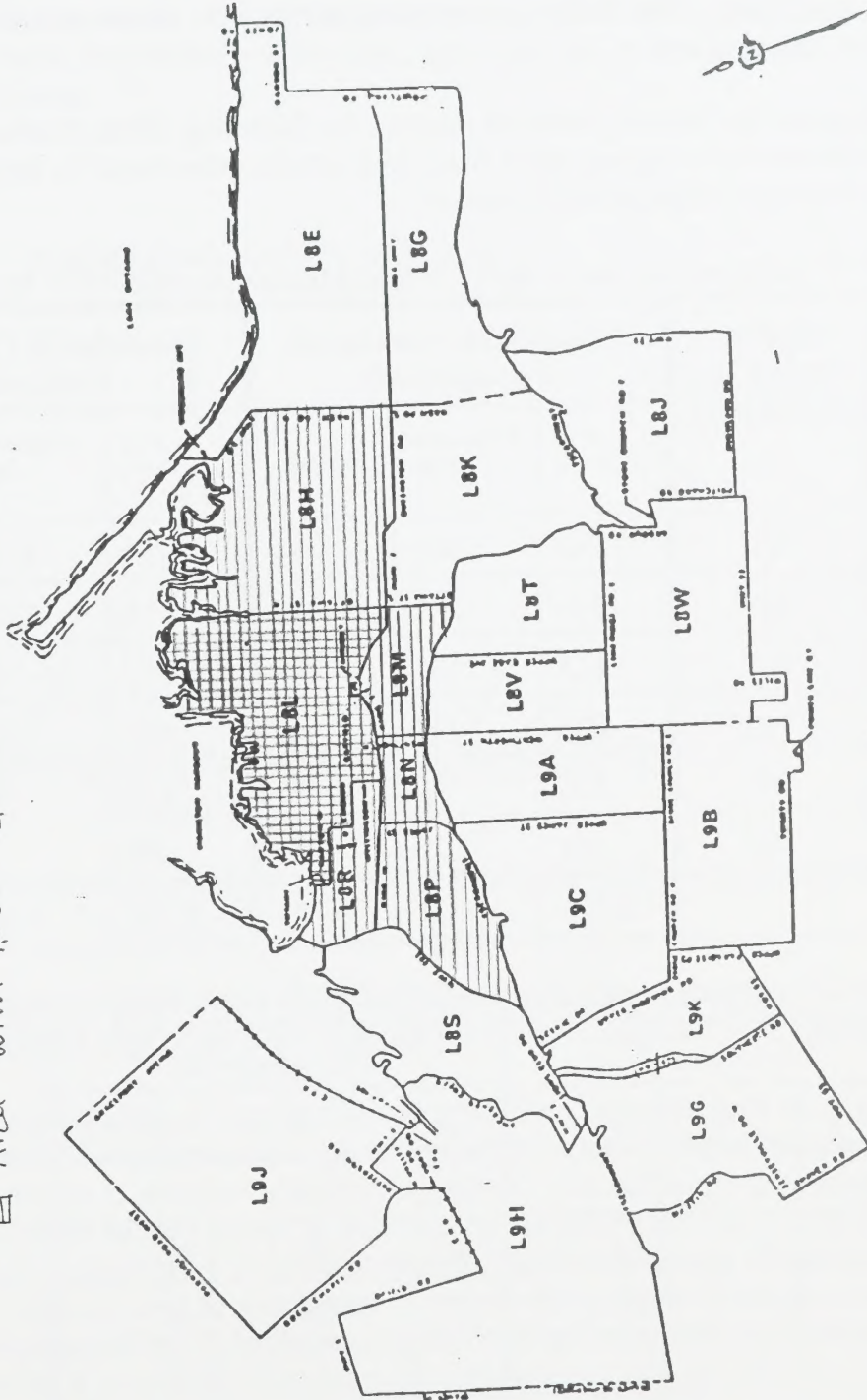
Lone parents made up seven per cent of the applicants in 1992. Lone Parents are much more common on the mountain and in the rural areas. They form a bigger proportion of the multi-person households on the mountain and in rural areas.

In summary, the postal code information reveals geographic patterns in client households. The central area of Hamilton is most likely to be home to young and/or single clients. Appropriate housing in this area has been identified by CMHC as having the greatest rent increases in the past year.

In the next section of the report, distinctions between employable and unemployable clients are examined.

Postal Code Areas: Region of Hamilton - Wentworth

- ▨ Area with >3,000 GWA Client Households
- ▨ Area with 1,000 - 3,000 GWA Client Households



A Comparison of Employable and Unemployable Clients

In 1992, the analysis was modified to permit comparison between employable and unemployable clients. The following series of graphs and tables permits easy comparison of these two populations.

First, looking at the housing costs of clients, the following table illustrates the estimated number of households paying more than their shelter allowance in housing costs, by household size and employability status:

Table 5: Clients paying more than Shelter Allowance on Shelter by Household Size

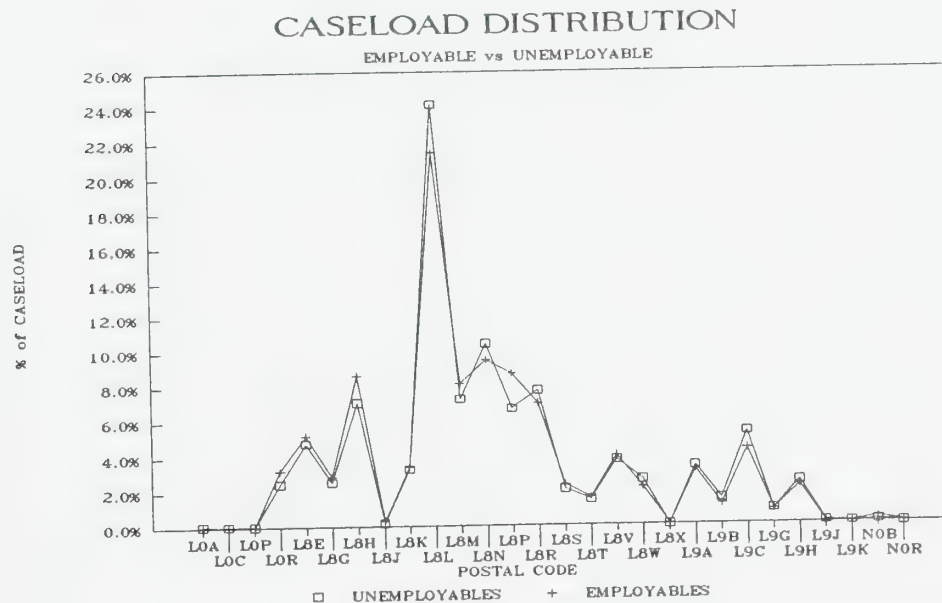
Household Size	Shelter Allowance (\$/Month)	Households considered Unemployable			Households Considered Employable		
		# of Clients	# Spending More	% Spending More	# of Clients	# Spending More	% Spending More
1	400	2,762	1,485	54	7,353	4,101	56
2	625	601	231	38	544	2,089	38
3	680	413	191	46	665	301	45
4	740	252	108	43	683	300	44
5	795	110	40	36	362	165	46
6+	825	84	22	26	169	69	41
Total		4,222	2,077	49	9,776	5,145	53

Households considered employable are only slightly more likely to pay more than their shelter allowance for housing. This is particularly case for larger families.

When looking at housing costs according to age and sex, a complex pattern emerges. Overall, employable clients tend to have housing costs which are higher or lower than their unemployable counterparts. For households where there is no adult male present, employable women in the 45-64 age group tend to spend less of their income on housing than the equivalent group considered unemployable. In households where a male adult is present, those deemed employable under 25 spend less of their income on housing than those unemployable. The pattern of housing expenditures for households with men aged 45 - 64 is essentially the same, regardless of employability status. Unfortunately, the computer run does not permit analysis of any factors which might underlie these

patterns, and since this is the first time the analysis has made this distinction, it is not possible to decide if this is a continuing trend.

With respect to the addresses of clients, households considered unemployable are more concentrated than those considered employable, although the differences are minor, as the attached graph shows.



Next, looking at the following table, the age of clients classified as unemployable tend to be more spread out:

Table 6: Distribution of Clients by Age of Applicant (%)

Age of Applicant	Unemployable			Employable		
	Female	Male	Total	Female	Male	Total
under 25	44	30	37	46	26	30
25 - 44	39	49	44	42	64	60
45 - 64	16	20	18	12	9	10
65 and over	1	1	1	0	0	0
# of Applicants	1,949	2,273	4,222	1,841	7,935	9,776

This table also shows some other distinctions between unemployable households and those considered employable. Unemployable households are far less likely to have a male adult present. Further, female household heads tend to be somewhat older than their employable counterparts. In households where a male adult is present, those considered employable are very concentrated in the 25 - 44 age group, while those deemed unemployable are more evenly spread in age. Overall, applicants from employable households tend to be more concentrated in the 25 - 44 age group as well.

With respect to household size, clients deemed unemployable tend to have larger households than those considered employable, although this evens out as size increases.

Table 7: Distribution of Clients by Household Size (in %)

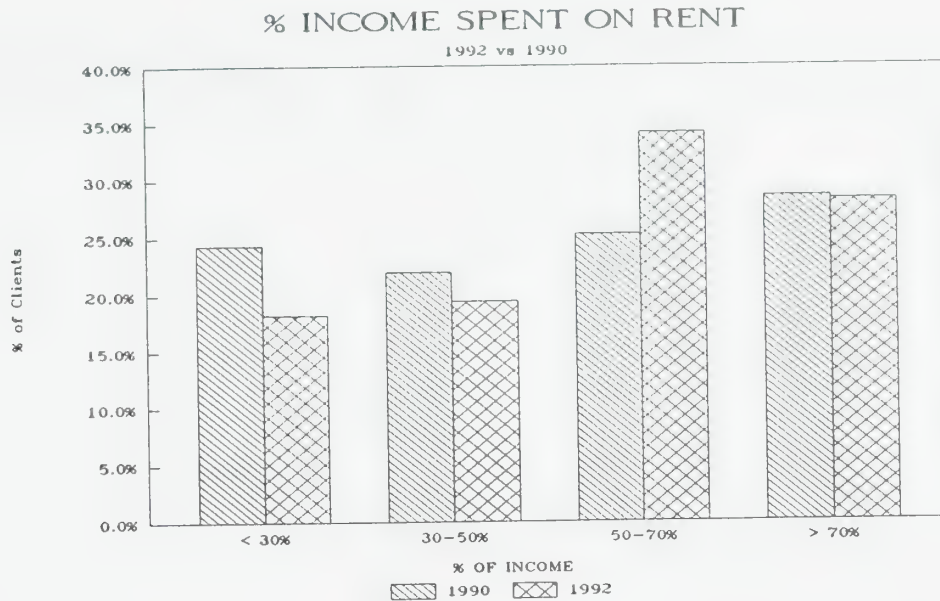
Household Size	Unemployable	Employable	Total
1 Person	65	75	72
2 People	14	6	8
3 People	10	7	8
4 People	6	7	7
5 People	3	4	3
6 or more People	2	2	2

In conclusion, households where the client is considered unemployable are far less likely to have a male adult present, and to have somewhat larger families. This suggests unemployable clients would require larger housing units than those who are employable. Further, clients households considered unemployable might have special needs, as our society is geared to households with two adults present. Clients considered unemployable are less likely to have excessive housing costs, particularly when the household is large. However, the costs of housing still exceed the shelter allowance in nearly half the cases.

Changes in Client Profile from 1990 to 1992

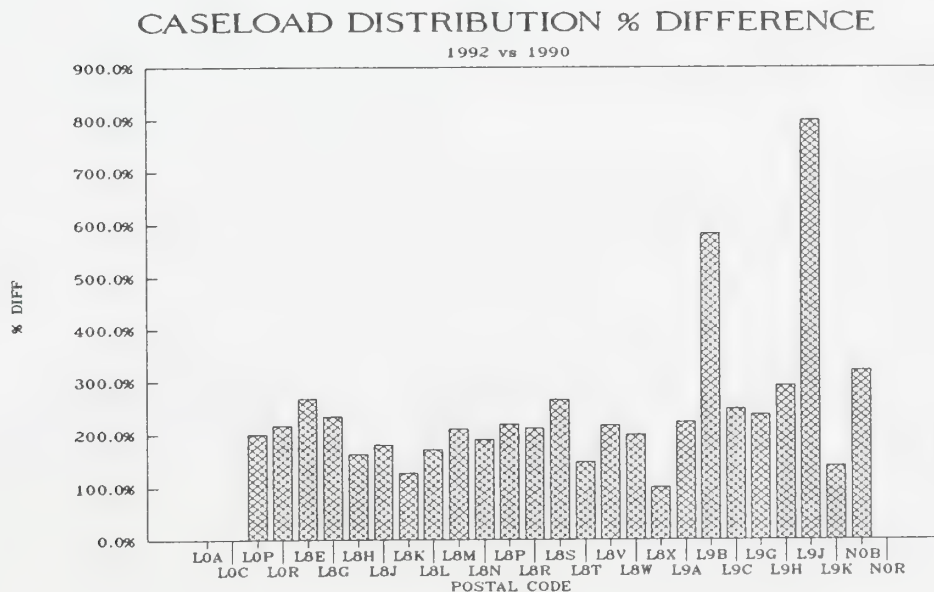
Compared with 1990, the number of households receiving assistance has nearly doubled, from 7,086.

Since 1990, rent or mortgage costs as a proportion of income have risen for all households, as the following graph shows:

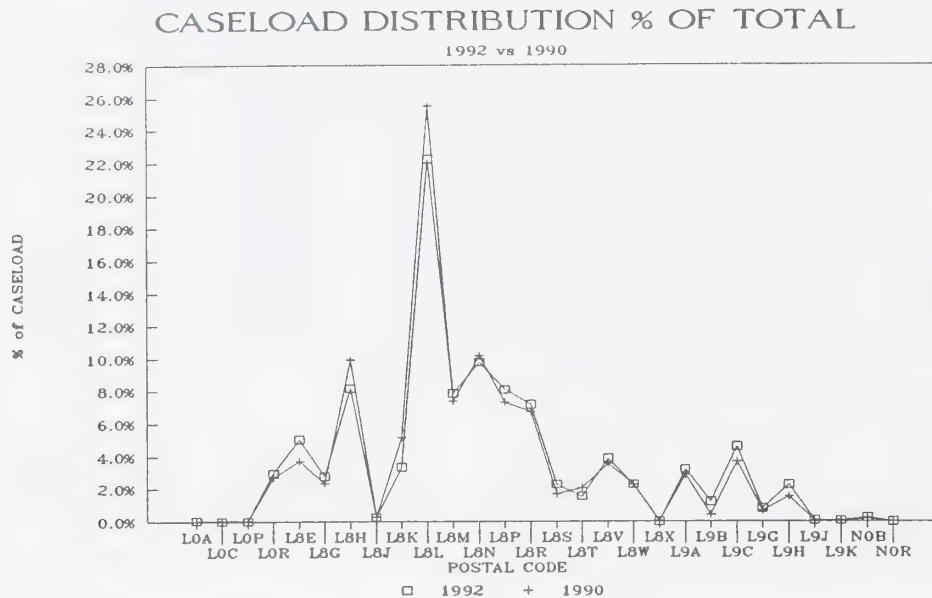


While the proportion of clients spending more than 70% has held steady, there has been a decline in the proportion of households with rent/mortgage charges of less than 30%, and an increase in the 50-70% group.

Although most areas have had significant increase in the number of clients, locations on the mountain in the City of Hamilton (L9B and L9J especially) have had the largest, as the next graph indicates:



The graph below shows, however, these increases have had limited impact on the overall distribution of households receiving GWA. Compared with 1990, clients tend to be a little more spread out, while maintaining a concentration in the City of Hamilton below the mountain. In 1990, 67% of all clients lived in the same area occupied by 63% of the clients in 1992.



Within this overall pattern, there have been some shifts in the age and sex of applicants, particularly on the Mountain in Hamilton, in Stoney Creek, in Dundas and in Ancaster. Clients on the mountain in Hamilton have shifted from being in the 45 - 64 age group to 25 - 44. In Stoney Creek the proportion of women applicants under 25 has declined and those living on the mountain aged 25-44 has increased. In Dundas, there has been a shift from clients under 25 to older ages, particularly amongst women. Finally, in Ancaster, the shift has been away from male headed households aged 45 - 64 to young women under 25.

In terms of household size, the pattern has not changed from 1990 to 1992. Single clients are more prevalent in the lower City of Hamilton and multi-family households are more common in the suburban and rural areas.

Since 1990, the proportion of single applicants has increased slightly, from 69 to 72%. The number of lone parent households as a proportion of the multi-person households has dropped significantly, from 38% to 26%. There has been a slight decline in the age of applicants, primarily among women and in household size from 1.70 to 1.66.

Summary and Conclusion

This report has reviewed selected characteristics of the people who receive GWA in Hamilton-Wentworth. In several ways they are distinctive when compared with the population of the Region. Generally, they are younger, more likely to be single to lone parents and more likely to be considered unemployable. Their housing costs as a proportion of income are well beyond acceptable limits.

Half the client households are paying more than their shelter subsidy on housing and have limited options for reducing these costs, given the nature of the housing market. Unemployable clients are more likely to be female headed. Housing costs of unemployable clients are not significantly different from unemployable households. There have been some modest changes to the client profile since 1990, in addition to the near doubling of the caseload. In 1992 clients are more spread out and younger. There are fewer single parent households, proportionally. Housing expenditures have increased as a proportion of income.

There are also some limitations to this profile. Assumptions about significant information were built into this computer analysis when it was developed. In future, it would be preferable to use the caseload data to develop a valid sample for analysis, as some of the results in this discussion are biased by the original assumptions in the computer assessment.

c:\...\housing\needs\gwaanal.rpt



 **ACCO USA**
WHEELING, ILLINOIS 60090

ITEM NO. 25071

MADE IN USA

0  4

50505 25071

BLACK/NOIR/NEGRO

HAMILTON PUBLIC LIBRARY



3 2022 21333979 5